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IN THE

Supreme Court of the United States

OCTOBER TERM, 1948.

No. 230

MINNESOTA MINING & MANUFACTURING COMPANY,

Petitioner,

vs.

INDUSTRIAL TAPE CORPORATION,

Respondent.

PETITION FOR THE WRIT OF CERTIORARI TO THE UNITED STATES CIRCUIT COURT OF APPEALS FOR THE SEVENTH CIRCUIT AND BRIEF IN SUPPORT THEREOF.

GEORGE I. HAIGHT,
HAROLD J. KINNEY,
M. K. HOBBS,
Counsel for Petitioner.

THE DUNTHORP-WARREN PRINTING COMPANY, 210 WEST JACKSON, CHICAGO

INDEX.

PETITION.

PAGE

Petition for the writ..... 1

Summary statement of matter involved..... 2

The court dismissed petitioner's contention that unpleaded art may not be relied upon to invalidate a patent..... 3

The court did not pass upon the effect of Rule 8 of Federal Rules of Civil Procedure..... 4

The Circuit Courts of Appeals are in conflict as to whether unpleaded art may be relied upon to invalidate a patent..... 4

Jurisdiction 5

Questions presented..... 6

The questions presented relate to pleading and practice in patent infringement suits..... 6

Reasons relied upon for the allowance of the writ.... 6

The writ should be granted to settle an important question of federal practice and procedure, not heretofore determined by this court; and to resolve a conflict between the Circuit Courts of Appeals 6

BRIEF.

Opinions of the courts below..... 9

Statement of the case, adopted from petition..... 9

Specification of errors..... 9

Argument 10

Summary of argument..... 10
Point A. Lack of invention is an affirmative defense..... 10
Point B. Rule 8, Federal Rules of Civil Procedure and Section 69, Title 35, USC require that affirmative defenses be specifically pleaded..... 11
Point C. There is a conflict among the Circuit Courts of Appeals as to whether unpleaded prior art may be used to invalidate a patent for want of invention..... 12
Conclusion..... 15

APPENDIX.

Title 35, Section 69, U. S. Code..... 17
Rule 8, Federal Rules of Civil Procedure..... 18

Table of Cases.

Brown v. Piper, 91 U. S. 37 14
Cantrell v. Wallick, 117 U. S. 689 10
Chisholm-Ryder Co. v. Buck, 65 F. 2d 735 .....4, 12, 13
Cuno Engineering Corp. v. Automatic Devices Corporation, 314 U. S. 84 10
Grier v. Wilt, 120 U. S. 412 13
Emil v. Hanley, 318 U. S. 515 5
Helvering v. Oregon Mutual Life Ins. Co., 311 U. S. 267 5
Hendy v. Golden State Miners' Iron Works, 127 U. S. 370 13
Jorgenson v. Hawkins, 14 F. 2d 409 .....4, 12, 13, 14
Lunati v. Barrett, 104 F. 2d 313 .....4, 13
Miles v. Illinois Central Railroad Co., 315 U. S. 698 .. 5
Moore's Federal Practice, 2nd Ed. Vol. 2, p. 1695 10
Mumm v. Decker, 301 U. S. 168 .....5, 6, 10, 11
Municipal Street Sign Co. v. City Street Sign Corp., 30 F. Supp. 795 11
Oswell v. Bloomfield, 113 F. 2d 377 .....4, 11, 12, 13
Smith v. Goodyear, 93 U. S. 486 10
Smith v. Thompson, 43 F. Supp. 848 11
Worcester County Trust Company v. Riley, 302 U. S. 292 5

Statutes and Rules.

Sections 31, 32, Title 35, U.S.C. 10
Section 69, Title 35, U.S.C. 3, 5, 6, 10, 11, 17
Rule 8, Federal Rules of Civil Procedure .. 4, 5, 6, 10, 11, 18

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INDUSTRIAL TAPE CORPORATION,

Respondent.

PETITION FOR THE WRIT OF CERTIORARI TO THE UNITED STATES CIRCUIT COURT OF APPEALS FOR THE SEVENTH CIRCUIT.

To the Honorable Chief Justice of the United States and the Associate Justices of the Supreme Court of the United States:

The petition of Minnesota Mining & Manufacturing Company, plaintiff and appellant below, prays the issue of the writ of certiorari to the Circuit Court of Appeals for the Seventh Circuit to review the judgment and decison of that Court. A transcript of the record, including the proceedings in said Circuit Court of Appeals, has been filed herein pursuant to Rule 38.

I.

Summary Statement of Matter Involved.

This is a patent infringement suit brought by petitioner in the District Court of the United States for the Northern District of Illinois, Eastern Division (R. 2). The claims in issue were held invalid and the cause dismissed (R. 455). The judgment was affirmed on appeal (R. 502). The opinion of the Circuit Court of Appeals (R. 494) is based upon that Court's decision of an important question of federal pleading and practice.

The patent in suit (Borden No. 2,221,213; R. 466) relates to a device for dispensing pressure-sensitive adhesive tape, such as the products sold by petitioner and respondent under their respective trade-marks "Scotch" and "Texcel".

An important feature of the patented dispenser is that the tape is cut by bringing the adhesive-bearing surface into contact with the cutting edge, so that, by the act of severing a strip of tape for use, the free end attached to the roll secures itself upon a surface or platform to be held in captive position to be grasped readily for the next severing operation (R. 468, col. 2, lines 19-39 and R. 225).

To show the history of the art (R. 204), the petitioner offered in evidence its early McCarthy dispenser (R. 215, 216; 407, 408). This McCarthy dispenser operated by bringing the back or non-adhesive surface of the tape upwardly against the cutting edge (R. 223). No means were provided to hold the end of the tape captive to be grasped for dispensing the next strip (R. 221-223; 271; 279-281).

The respondent pleaded invalidity of the claims in issue because of a large number of patents, publications, and prior uses (R. 12-14). Respondent's answer made no reference to the McCarthy device (R. 11-16). Respondent

amended its answer during the trial; but still made no reference to McCarthy (R. 30-31). Respondent's expert was not questioned as to McCarthy (R. 309-354). The expert's testimony was confined to the five items of prior art identified at page 310.

Respondent's counsel referred to the McCarthy device as *stupid* and *abortive* (R. 207, 208). It was not until its brief was filed after trial and following the filing of petitioner's brief, that respondent indicated that it intended to rely on McCarthy to invalidate the Borden patent.

Upon appeal, the Circuit Court of Appeals said no useful purpose would be served in discussing or analyzing all of the art, and considered only the unpleaded McCarthy* device as being "the most pertinent prior art" (Opinion, R. 497).

This was followed by the observation (Opinion, R. 498):

> "In the first place, we must notice the contention that the McCarthy device was improperly relied upon by the defendant and the court because it was not pleaded by the defendant."

The Court of Appeals' ruling with respect to this contention was

> "* * * that such unpleaded devices cannot properly be relied upon to show anticipation. (Citing cases.) It does not follow, however, that they may not be relied upon even though not pleaded, to show that the patent in suit is invalid for want of invention over such art." (Opinion, R. 498).

The Court therefore rejected "plaintiff's contention that the McCarthy device may not be properly relied upon to invalidate the patent." (Opinion, R. 498).

In making such ruling the Court referred to Sec. 69, Title 35 U. S. C. (Pleading and proof in actions for in-

* As used herein the term "McCarthy" generically includes the similar Clark dispenser, also referred to by the Circuit Court of Appeals.

fringement); but did not refer to the Federal Rules of Civil Procedure, Rule 8 (requiring the pleading of affirmative defenses); nor to the relationship of the one to the other. (The Statute and pertinent portions of the Rule are reproduced in the Appendix hereto.)

In making such ruling the Court adhered, it said, to its own previous ruling in *Oswell* v. *Bloomfield*, 113 F. 2d 377, 378. Such ruling is in direct conflict with the decisions of other Circuit Courts of Appeals, as exemplified in the following cases, referred to more specifically in the brief attached hereto:

Jorgenson v. *Hawkins*, 14 F. 2d 409, 410, C. C. A. 8, 1926.

Chisholm-Ryder Co. v. *Buck*, 65 F. 2d 735, 736, C. C. A. 4, 1933.

Lunati v. *Barrett*, 104 F. 2d 313, 314, C. C. A. 6, 1939.

The use of McCarthy relied upon by the Court was an unnatural and unintended one, and involved cutting the tape from the adhesive side, and from above the knife (Opinion, R. 499). There is no evidence that this was ever done prior to the Borden invention; much less that it was obvious so to do. All the evidence in the record is to the contrary (R. 240; 272-273).

Because of respondent's characterization of McCarthy as abortive and stupid, because of the respondent's failure to plead McCarthy or to amend its answer to include McCarthy, and because of the silence of its expert in respect to McCarthy, there was no occasion whatsoever for petitioner at the trial to anticipate a defense of lack of invention over or anticipation by McCarthy; less was there any occasion to introduce evidence to controvert such unknown defense.

While it is recognized that questions vital to the individual litigant may not necessarily call for issuance of the writ of certiorari, the practice and procedure invoked in this case illustrate vividly the basic procedural points involved and the questions relating to the application of Sec. 69, Title 35, and Rule 8 of the Federal Rules of Civil Procedure, about which the Circuit Courts of Appeals are in wide disagreement and disharmony.

II.

Jurisdiction.

The grounds of jurisdiction are:

1. The statute under which jurisdiction is invoked is Section 240a of the Judicial Code as amended (28 U. S. C. 347).

2. The opinion and judgment of the Circuit Court of Appeals having been entered on May 6, 1948, and that Court having entertained a petition for rehearing which it denied on June 10, 1948, the time for filing this petition extends until September 10, 1948.

3. Cases believed to sustain the jurisdiction of the Court and to sanction the grant of a writ in this particular case are:

Mumm v. *Decker*, 301 U. S. 168, 169.
Helvering v. *Oregon Mutual Life Ins. Co.*, 311 U. S. 267, 268.
Miles v. *Illinois Central Railroad Company*, 315 U. S. 698, 700-701.
Worcester County Trust Company v. *Riley*, 302 U. S. 292, 296; and
Emil v. *Hanley*, 318 U. S. 515, 517.

III.

Questions Presented.

1. Is it required by the law and rules of pleading that a defendant in a patent infringement suit affirmatively and specifically plead the items of prior art upon which reliance is placed to invalidate the patent in suit for lack of invention?

2. Particularly, in the application of Section 69, Title 35 U. S. C. and Rule 8 of Federal Rules of Civil Procedure, is it required that a defendant in a patent infringement suit affirmatively and specifically plead the items of prior art upon which reliance is placed to invalidate the patent in suit for lack of invention?

IV.

Reasons Relied Upon For the Allowance of the Writ.

1. The opinion and judgment of the Circuit Court of Appeals in holding the patent in suit invalid for lack of invention upon an unpleaded item of prior art decided an important question of federal practice and procedure, particularly in reference to Section 69, Title 35, U. S. C. and Rule 8 of Federal Rules of Civil Procedure, which question has not been, but should be, settled by this Court.

2. The exercise of its supervisory and reviewing powers by this Court will secure uniformity of decision among the United States Circuit Courts of Appeals, since those courts are in conflict on the question whether unpleaded prior art may be used to invalidate a patent.

3. This Court has invoked the writ previously in *Mumm* v. *Decker*, 301 U. S. 168, 171, to answer an analogous ques-

tion and to establish uniformity of pleading in patent cases.

Wherefore, your petitioner prays that this petition be granted.

Respectfully submitted,

GEORGE I. HAIGHT,
HAROLD J. KINNEY,
M. K. HOBBS,
Counsel for Petitioner.

August 13, 1948.

BRIEF IN SUPPORT OF PETITION.

I.

Opinions of the Courts Below.

The District Court did not file an opinion. Its findings of fact and conclusions of law are found beginning at page 452 of the Record. The opinion of the Circuit Court of Appeals for the Seventh Circuit (R. 494) is reported at 168 F. 2d 7, Advance Sheets.

II.

Statement of the Case.

This has already been stated in the preceding petition under point I, which is hereby adopted and made a part of this brief.

III.

Specification of Errors.

1. The Circuit Court of Appeals erred in holding that unpleaded prior art may be relied upon to invalidate a patent for want of invention.

2. The Circuit Court of Appeals erred in holding the patent in suit invalid for want of invention solely over unpleaded prior art.

IV.

Argument.

Summary of Argument.

A. Sections 31 and 32, Title 35, U. S. C. require, among other things, that invention be present in a patent. The absence of any of the requirements of these sections is a matter of affirmative defense.

B. Section 69, Title 35, U. S. C. (Pleading and proof in actions for infringement) and Rule 8, Federal Rules of Civil Procedure require that affirmative defenses be pleaded.

C. There is a conflict among the Circuit Courts of Appeals as to whether unpleaded prior art may be used to invalidate a patent for want of invention.

Point A.

Under Sections 31 and 32, Title 35, U. S. C. for a device to be patentable it must not only be new and useful; but it must exhibit invention. *Cuno Engineering Corp.* v. *Automatic Devices Corporation,* 314 U. S. 84, 90-91, and cases there cited.

The grant of a patent is prima facie evidence of its validity. *Cantrell* v. *Wallick,* 117 U. S. 689. *Smith* v. *Goodyear,* 93 U. S. 486.

Hence the absence of any requirement of Sections 31 and 32 must be established by a defendant. "These are matters of affirmative defense." *Mumm* v. *Decker,** 301 U. S. 168, 171; Moore's Federal Practice, 2nd Ed., Vol. 2, p. 1695.

* Petition for certiorari was granted in *Mumm* v. *Decker* because of a conflict among the federal tribunals as to "pleading in patent suits" in respect to the sufficiency of the complaint, 301 U. S. 168, 169. This petition presents an analogous question of pleading, but in respect to the answer.

Point B.

Paragraph (c), Rule 8, Federal Rules of Civil Procedure requires that a responsive pleading "shall set forth affirmatively" specified defenses "and any other matter constituting an avoidance or affirmative defense." (Paragraphs (b) and (c) of the Rule are set forth in the Appendix hereto.) Invention is one of the statutory requirements for patentability, as set forth under Point A. Lack of invention therefore is an affirmative defense, which must be pleaded, *Mumm* v. *Decker*, 301 U. S. 168, 171.

Section 69 of Title 35 (set forth in the Appendix) requires in parts "Fourth" and "Fifth" that prior inventorship or discovery and prior public use or sale* be specifically pleaded or noticed.

The Circuit Court of Appeals did not refer to Rule 8. In a previous decision that Court had found it unnecessary to decide whether or not Section "69 has been abrogated by Rules 8 and 9." (*Oswell* v. *Bloomfield*, 113 F. 2d 377, 378.) Two district courts have said that the Rule supersedes the statute.

In *Municipal Street Sign Co.* v. *City Street Sign Corp.*, 30 F. Supp. 795, 799, D. C. E. D. N. Y., it was said that the defense of inoperability must be pleaded even though the statute was superseded.

In *Smith* v. *Thompson*, 43 F. Supp. 848, 849, D. C. S. D. Calif., testimony as to prior use was admitted, though the defense was not pleaded, inasmuch as Section 69 was superseded by the Rule.

Thus we have two district courts agreeing that Rule 8 supersedes the statute, but the one concluding that therefore answers in patent suits must be the more definite and

* The McCarthy dispenser was in public use and on sale by the petitioner in 1930 (R. 239), six years before application for the Borden patent in 1936 (R. 466).

the other that the answer may be more general. This Court has not ruled on the question whether the Rule supersedes the Statute, or whether the Rule extends the requirements of the Statute as to affirmative pleading. This is a question of importance to the Courts, to the patent bar, and to patent litigants; and should be resolved by this Court.

Point C.

There is a conflict among the Circuit Courts of Appeals as to whether unpleaded prior art may be used to invalidate a patent for want of invention.

The instant case from the Seventh Circuit permits it, following its own similar decision on a materially different set of circumstances in *Oswell* v. *Bloomfield,* 113 F. 2d 377, 378.

On the contrary the Circuit Court of Appeals for the Eighth Circuit will refer to unpleaded art only to construe a patent, but not to invalidate it. In *Jorgenson* v. *Hawkins,* 14 F. 2d 409, 410, 1926, that Court said:

> "It is true that the patents were admissible in evidence to show the state of the prior art, even though they were not pleaded and no notice given under section 4920. But, when so received, their use in evidence would be limited. Though they could be used to aid the court in construing plaintiff's patent, **they could not be used to defeat its validity.** *Grier* v. *Wilt,* 120 U. S. 412, 7 S. Ct. 718, 30 L. Ed. 712; *Sodemann H. & P. Co.* v. *Kauffman,* 275 F. 593 (C. C. A. 8); *Zip Mfg. Co.* v. *Pusch,* 2 F. (2d) 828 (C. C. A. 8); *Jones* v. *Cyphers* (C. C.) 115 F. 324." (Emphasis supplied.)

The Fourth Circuit follows the Eighth. In *Chisholm-Ryder Co.* v. *Buck,* 65 F. 2d 735, 736, 1933, it is held:

> "It is true, as pointed out in the argument of the complainant in this court, that the prior patents not

set up in the defendant's answer, for instance, the patent to Sanborn, **may not be used to invalidate the patents in suit for want of novelty or invention**; but nevertheless these prior patents may properly be received in evidence to show the state of the art and to aid in the construction of the claims relied upon. *Grier* v. *Wilt,* 120 U. S. 412; *Eachus* v. *Broomall,* 115 U. S. 429; *Morton* v. *Llewellyn,* 164 F. 693." (Emphasis supplied.)

In the Sixth Circuit the rule is the same. In *Lunati et al.* v. *Barrett,* 104 F. 2d 313, 314, 1939, the Court said:

"It was held below that the defendant did not infringe. There was no decision as to validity, since the defendant proved no direct anticipation, failed to give notice of lack of invention as a defense, and was not permitted belatedly to amend. While proof of the state of the art is admissible without notice to aid the court in the construction of the patent, *Dunbar* v. *Meyers,* 94 U. S. 187, 24 L. Ed. 34, it is not clear that invalidity may be adjudicated without affirmatively pleading it unless the patent is void on its face. *Brown* v. *Piper,* 91 U. S. 37, 44, 23 L. Ed. 200. Cf. *Slawson* v. *Grand Street, P. P. & F. R. R. Co.,* 107 U. S. 649, 652, 2 S. Ct. 663, 27 L. Ed. 576. We limit our consideration of the controversy likewise to the question of infringement, * * *."

It is significant to note that in *Oswell* v. *Bloomfield,* the Circuit Court of Appeals for the Seventh Circuit relied upon *Grier* v. *Wilt,* 120 U. S. 412, which decision was also relied upon by the Eighth and Fourth Circuit Courts of Appeals in the immediately preceding cases (*Jorgenson* v. *Hawkins* and *Chisholm-Ryder Co.* v. *Buck*) to reach an opposite conclusion.

Hendy v. *Golden State Miners' Iron Works,* 127 U. S. 370, 375, cited by the Court of Appeals (R. 498) applies to the situation where a patent is void on its face, without reference to any art. It involves a situation similar to that

in *Brown* v. *Piper*, 91 U. S. 37, 44, wherein the Court held the patent "void on its face." Obviously these decisions have no pertinence in a situation such as the present one, where the Court specifically relied upon unpleaded art to invalidate the patent in suit. The *Hendy* decision is not helpful in the present inquiry, nor is it in conflict with *Grier* v. *Wilt*.

The Court observed (R. 498) that the plaintiff (petitioner) itself put the McCarthy device in evidence. This is true, but it is always proper to put into evidence prior commercial devices, as an aid in understanding the invention, and "to aid the Court in construing plaintiff's patent" (*Jorgenson* v. *Hawkins, supra*). But such prior devices, if not pleaded against the patent by the defendant "could not be used to defeat its validity" (*Jorgenson* v. *Hawkins, supra*). The point is that a plaintiff is entitled under the Statute and Rule to know what is to be relied upon to defeat him, in order that he may offer proofs to combat the defense. It is the obvious purpose of the Statute, of Rule 8, and of the Rules as a whole, to prevent surprise and ambush.

Conclusion.

It leads to much confusion in Federal practice to have one rule followed in the Fourth, Sixth, and Eighth Circuits; and a directly contrary rule followed in the Seventh Circuit. Since all of the Federal Courts are controlled by the same Statutes and the same Federal Rules of Civil Procedure, the practice should be uniform.

The necessity and public importance of securing certainty in the application of Rules and Statutes, and uniformity of decision among the Circuits is a cogent reason calling for the exercise by this Court of its supervisory powers, by granting the writ of certiorari and thereafter reviewing and reversing the decision and judgment of the Circuit Court of Appeals.

Respectfully submitted,

George I. Haight,
Harold J. Kinney,
M. K. Hobbs,
Counsel for Petitioner.

APPENDIX.

Title 35, Sec. 69, U. S. Code:

"*Pleading and proof in actions for infringement.*

"In any action for infringement the defendant may plead the general issue, and, having given notice in writing to the plaintiff or his attorney thirty days before, may prove on trial any one or more of the following special matters:

"First. That for the purpose of deceiving the public the description and specification filed by the patentee in the Patent Office was made to contain less than the whole truth relative to his invention or discovery, or more than is necessary to produce the desired effect; or,

"Second. That he had surreptitiously or unjustly obtained the patent for that which was in fact invented by another, who was using reasonable diligence in adapting and perfecting the same; or,

"Third. That it has been patented or described in some printed publication prior to his supposed invention or discovery thereof, or more than one year prior to his application for a patent therefor; or,

"Fourth. That he was not the original and first inventor or discoverer of any material and substantial part of the thing patented; or,

"Fifth. That it had been in public use or on sale in this country for more than one year before his application for a patent, or had been abandoned to the public.

"And in notices as to proof of previous invention, knowledge, or use of the thing patented, the defendant shall state the names of the patentees and the dates of their patents, and when granted, and the names and residences of the persons alleged to have invented or to have had the prior knowledge of the things patented, and where and by whom it had been used; and if any one or more of the special matters alleged shall be found for the defendant, judgment shall be rendered for him with costs. And the like defenses may be

pleaded in any suit in equity for relief against an alleged infringement; and proofs of the same may be given upon like notice in the answer of the defendant, and with the like effect. R. S. Sec. 4920; March 3, 1897, c. 391, Sec. 2, 29 Stat. 692; Aug. 5, 1939, c. 450. Sec. 1, 53 Stat. 1212."

Federal Rules of Civil Procedure, Rule 8, General Rules of Pleading:

"(b) *Defenses; Form of Denials.* A party shall state in short and plain terms his defenses to each claim asserted and shall admit or deny the averments upon which the adverse party relies. If he is without knowledge or information sufficient to form a belief as to the truth of an averment, he shall so state and this has the effect of a denial. Denials shall fairly meet the substance of the averments denied. When a pleader intends in good faith to deny only a part or a qualification of an averment, he shall specify so much of it as is true and material and shall deny only the remainder. Unless the pleader intends in good faith to controvert all the averments of the preceding pleading, he may make his denials as specific denials of designated averments or paragraphs, or he may generally deny all the averments except such designated averments or paragraphs as he expressly admits; but, when he does so intend to controvert all its averments, including averments of the grounds upon which the court's jurisdiction depends, he may do so by general denial subject to the obligations set forth in Rule 11.

"(c) *Affirmative Defenses.* In pleading to a preceding pleading, a party shall set forth affirmatively accord and satisfaction, arbitration and award, assumption of risk, contributory negligence, discharge in bankruptcy, duress, estoppel, failure of consideration, fraud, illegality, injury by fellow servant, laches, license, payment, release, res judicata, statute of frauds, statute of limitations, waiver, and any other matter constituting an avoidance or affirmative defense. When a party has mistakenly designated a defense as a counterclaim or a counterclaim as a defense, the court on terms, if justice so requires, shall treat the pleading as if there had been a proper designation."